

## Message Text

CONFIDENTIAL

PAGE 01 STATE 122690

73

ORIGIN SP-03

INFO OCT-01 CCO-00 RSC-01 SS-20 SSO-00 ISO-00 AID-20 IGA-02

( ISO ) R

DRAFTED BY S/P:RPALMER:WS

APPROVED BY S/P:WLORD

AID:DPARKER (DRAFT)

S/SSEFRY

----- 104289

O 110020Z JUN 74 ZFF4

FM SECSTATE WASHDC

TO WHITE HOUSE IMMEDIATE

C O N F I D E N T I A L STATE 122690

TOSEC 39

E.O. 11652:GDS

TAGS: OVIP, EAID

SUBJ: AID STATEMENT

WHITE HOUSE PLEASE PASS US DEL SALZBURG

FOR EAGLEBURGER FROM LORD

1. PURSUANT TO YOUR AGREEMENT WITH AID, WE HAVE DRAFTED FOLLOWING STATEMENT FROM THE SECRETARY TO THE INOUYE SUB-COMMITTEE FOR JUNE 13 APPEARANCE BY PARKER. HE WILL REQUEST THAT IT BE SUBMITTED FOR THE RECORD IF SECRETARY APPROVES.

2. MR. CHAIRMAN AND DISTINGUISHED MEMBERS OF THE COMMITTEE:

3. I DEEPLY REGRET THAT THE PACE OF RECENT EVENTS HAS PREVENTED ME FROM APPEARING BEFORE YOU.

FOREIGN ASSISTANCE PROGRAM FOR FISCAL YEAR 1975 IS OF SUCH URGENT AND FUNDAMENTAL IMPORTANCE TO THE ENTIRE RANGE OF

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 122690

OUR FOREIGN POLICY CONCERNS THAT I WANT TO SHARE MY VIEWS

WITHOUT FURTHER DELAY.

4. THUS I AM SENDING THIS STATEMENT FROM THE MIDDLE EAST, AN AREA THAT DRAMATIZES BOTH THE UNPRECEDENTED OPPORTUNITIES BEFORE AMERICAN DIPLOMACY TODAY AND THE CENTRAL ROLE THAT THE ASSISTANCE PROGRAM PLAYS. IT IS MY PROFOUND CONVICTION THAT PROGRAMS OF FOREIGN ASSISTANCE ARE NOT HANDOUTS. THEY ARE DONE ON BEHALF OF AN INTERNATIONAL ORDER AND ON BEHALF OF AN APPROACH TO THE SOLUTION OF PROBLEMS THAT IS IN ALL NATIONS' INTEREST, AND VERY MUCH IN THE AMERICAN INTEREST.

5. THE TEST WE MUST APPLY IS WHETHER WHAT WE ARE PROPOSING IS ADEQUATE TO MEET THE NEED, AND WHETHER ANYTHING LESS WOULD FULFILL OUR PURPOSES AS A NATION.

6. WE BELIEVE THAT THE PROGRAM BEFORE YOU WILL SUBSTANTIALLY CONTRIBUTE TO ACHIEVING THESE FIVE GOALS:

-- CREATING LASTING PEACE IN THE MIDDLE EAST AND INDO-CHINA;

-- ESTABLISHING THE BASIS FOR RELATIONSHIPS OF MUTUAL RESTRAINT AND RESPECT WITH THE SOVIET UNION AND THE PEOPLE'S REPUBLIC OF CHINA;

-- AVOIDING THE DIVISION OF THE WORLD INTO COMPETING BLOCS OF DEVELOPED AND DEVELOPING NATIONS;

-- BRINGING INTO BALANCE FOOD PRODUCTION AND POPULATION GROWTH;

-- LOWERING THE BURDEN ON THE UNITED STATES BY BUILDING OTHER NATIONS' CAPACITY FOR SELF-DEVELOPMENT AND SELF-DEFENSE.

7. WE IN THE UNITED STATES CANNOT ALONE UNDERWRITE THE SUCCESS OF THE QUEST TO RESOLVE OLD ISSUES OR ALONE PERSEVERE IN THE FACE OF CONTINUING OBSTACLES TO PEACE. NOR CAN WE ASSURE THAT THE IMPERATIVE OF COOPERATION

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 122690

WILL OVERCOME NATIONS' TEMPTATION TO PURSUE SHORT-TERM ADVANTAGE.

8. BUT IT IS EQUALLY CLEAR THAT HOPES FOR A PEACEFUL, COOPERATIVE AND JUST INTERNATIONAL ORDER CAN ONLY BE REALIZED WITH THE STRONG PARTICIPATION OF THIS NATION.

9. OUR ASSISTANCE PROGRAMS ARE CRUCIAL VEHICLES FOR

THAT PARTICIPATION. OUR ECONOMIC ASSISTANCE IS DESIGNED TO REINFORCE DEVELOPING NATIONS' EFFORTS TO BRING A BETTER LIFE TO THEIR CITIZENS, INCREASING THEIR STAKE IN A COOPERATIVE GLOBAL ECONOMY AT A TIME WHEN EVENTS THREATEN TO DIVIDE THE WORLD ANEW -- BETWEEN NORTH AND SOUTH, DEVELOPED AND DEVELOPING, CONSUMER AND PRODUCER. OUR SECURITY ASSISTANCE IS DESIGNED PRIMARILY TO HELP OTHERS STRENGTHEN THE PEACE IN AREAS WHERE IT IS

THREATENED, AND TO PROVIDE A FRAMEWORK OF COOPERATION THAT WILL PREVENT NEW THREATS FROM EMERGING.

10. LET ME COMMENT BRIEFLY ON EACH OF THE PRINCIPAL ELEMENTS OF THE PROGRAM WE HAVE PROPOSED:

MIDDLE EAST

IN THE MIDDLE EAST, A NEW ERA IS OPENING IN OUR RELATIONS WITH BOTH ARABS AND ISRAELIS AND IN THEIR RELATIONS WITH ONE ANOTHER. THE PROGRAM BEFORE YOU IS VITAL TO GIVE SUBSTANCE TO THESE NEW RELATIONSHIPS AND TO PRESERVE THE MOMENTUM TOWARD PEACE THAT HAS DEVELOPED OVER THE PAST SIX MONTHS. WE ARE WITNESSING ONE OF THE MOST ARDUOUS BUT ALSO ONE OF THE MOST HOPEFUL DEVELOPMENTS OF THE PAST GENERATION. THANKS TO THE FAR-SIGHTED VIEWS OF KEY LEADERS IN THE REGION, AND WITH THE ACTIVE ROLE OF THE UNITED STATES, WE HAVE SEEN IMPORTANT STEPS TOWARD PEACE AND THE PARTIAL EROSION OF DECADES OF HOSTILITY AND MISTRUST AMONG THE PARTIES.

OUR PROPOSALS HAVE THREE BASIC PURPOSES:

-- FIRST, TO PROVIDE ISRAEL WITH THE ASSISTANCE NEEDED TO  
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 122690

MAINTAIN ITS SECURITY, GIVING IT RESOLVE TO PERSEVERE IN THE NEGOTIATIONS ASSURED OF ITS OWN STRENGTH AND OF OUR SUPPORT;

-- SECOND, TO GIVE TANGIBLE EXPRESSION TO OUR NEW AND FRUITFUL RELATIONS WITH VARIOUS ARAB COUNTRIES AND ENCOURAGE THOSE WHICH ARE SERIOUSLY PREPARED TO WORK FOR PEACE; AND

-- THIRD, TO ENCOURAGE THE PEACEFUL DEVELOPMENT OF THE AREA, REDUCING THE INCENTIVES TO VIOLENCE AND CONFLICT AND DEEPENING THE INTEREST OF ALL THE PEOPLES IN COOPERATION.

MORE SPECIFICALLY, WITH THIS PROGRAM WE WOULD:

-- MAKE AVAILABLE TO ISRAEL \$350 MILLION IN GRANTS AND CREDITS TO ENABLE IT TO CONTINUE PURCHASING VITALLY NEEDED MILITARY EQUIPMENT FROM THE US AND TO RELIEVE IT OF SOME OF THE BURDEN OF ITS ONEROUS DEFENSE COSTS.

-- EXTEND TO JORDAN ROUGHLY \$207 MILLION IN GRANTS AND CREDITS BOTH TO ENHANCE ITS SECURITY AND TO ASSIST ITS

ECONOMIC DEVELOPMENT. THIS WOULD STRENGTHEN JORDAN'S ABILITY TO HOLD TO THE COURSE OF MODERATION IT HAS CONSISTENTLY FOLLOWED.

--PROVIDE \$250 MILLION IN ECONOMIC ASSISTANCE TO EGYPT. EGYPT HAS MADE THE BOLD DECISION TO MOVE FROM CONFRONTATION TO NEGOTIATION AS A MEANS OF RESOLVING THE ARAB-ISRAEL DISPUTE. ITS LEADERS HAVE SHOWN A DESIRE TO SUBSTITUTE FRIENDSHIP AND TRUST IN THE US FOR THE HOSTILITY AND DISTRUST WHICH HAS SO LONG DIVIDED US.

-- MAKE \$100 MILLION AVAILABLE IN THE FORM OF A SPECIAL REQUIREMENTS FUND TO BE USED TO REINFORCE THE PEACE PROCESS AS WE GET FURTHER INTO NEGOTIATIONS. WE WOULD CONSULT CLOSELY WITH CONGRESS ON THE USE OF THIS MONEY.

INDOCHINA

NOW LET ME TURN TO INDOCHINA.

CONFIDENTIAL

CONFIDENTIAL

PAGE 05 STATE 122690

SUSTAINING THE ACHIEVEMENTS OF RECENT YEARS -- AN HONORABLE TERMINATION OF DIRECT AMERICAN MILITARY INVOLVEMENT, PEACE IN LAOS AND A SUBSTANTIAL REDUCTION OF HOSTILITIES IN VIETNAM, A PREVAILING MILITARY BALANCE OF FORCES, AND A SUBSTANTIAL LESSENING OF THE RISK OF CONFRONTATION AMONG OUTSIDE POWERS -- NOW HINGES ON SUMS THAT ARE SMALL IN PROPORTION TO THE TOTAL EFFORT THAT HAS BEEN MADE. INCLUDING THE SEPARATE LEGISLATION FOR MILITARY AID, OUR TOTAL VIETNAMESE ASSISTANCE REQUEST IS ABOUT WHAT WE SPENT IN A SINGLE MONTH IN 1968 AT THE HEIGHT OF U.S. INVOLVEMENT.

BUT THE BASIC QUESTION IS NOT WHAT WE HAVE ACHIEVED OR FAILED TO ACHIEVE IN THE PAST. IT IS THE KIND OF WORLD WE WANT TO CREATE FOR THE FUTURE; THE LEGACY WE WANT TO PASS ON TO OUR CHILDREN.

TO HELP SHAPE A WORLD OF NEGOTIATION, SOVEREIGNTY AND PEACE RATHER THAN CONFRONTATION, INTERVENTION AND FORCE, OUR POLICY IN INDOCHINA IS GUIDED BY THESE TWO OBJECTIVES:

-- FIRST, TO ENABLE THE STATES OF INDOCHINA TO MOVE  
FREELY TOWARD A FUTURE OF SELF-DETERMINED POLITICAL AND  
ECONOMIC STABILITY;

-- SECOND, BY THUS STRENGTHENING THEIR INDEPENDENCE, TO  
AVOID BOTH THE DANGERS OF RIVALRY FOR DOMINATION BY OUT-  
SIDE POWERS AND TO PRECLUDE DOMINATION ITSELF.

BY AUGUST 1, WE WILL SUBMIT TO CONGRESS A FIVE YEAR  
PROJECTION WHICH WILL REFLECT OUR EXPECTATION OF A  
GRADUALLY DECLINING ROLE IN INDOCHINA.

BUT OUR PRESENT REQUEST FOR \$750 MILLION IN ECONOMIC AND  
HUMANITARIAN ASSISTANCE FOR SOUTH VIETNAM IS ESSENTIAL  
TO MAKE THIS TRANSITION. A STABLE MILITARY SITUATION AND  
EVENTUAL ACCOMMODATION CANNOT BE ACHIEVED IF SOUTH VIET-  
NAM'S ECONOMIC PROBLEMS ARE ALLOWED TO GET OUT OF HAND.  
IN THE PAST YEAR, THAT NATION HAS EXPERIENCED PROBLEMS  
OVER WHICH IT HAD VERY LITTLE CONTROL -- A SHARP DECLINE  
IN DOLLAR REVENUE FOLLOWING THE WITHDRAWAL OF OUR TROOPS,

CONFIDENTIAL

CONFIDENTIAL

PAGE 06 STATE 122690

AND WORLD INFLATION:

-- AT THE PEAK OF OUR INVOLVEMENT IN THE WAR, VIETNAM'S  
DOLLAR EARNINGS FROM US GOVERNMENT ACTIVITIES RANGED  
BETWEEN \$350 AND \$400 MILLION A YEAR. LAST YEAR, FOLLOW-  
ING THE WITHDRAWAL OF US TROOPS THIS FIGURE DROPPED TO  
JUST OVER \$100 MILLION.

-- AT THE SAME TIME, THE COSTS OF VIETNAM'S IMPORTS  
SOARED AS GLOBAL INFLATION BOOSTED THE PRICES OF RAW  
MATERIALS AND SEMI-FINISHED PRODUCTS.

SOUTH VIETNAM HAS DONE AN EXCELLENT JOB OF ADJUSTING TO  
THESE CHALLENGES. IT INITIATED A DRAMATIC AUSTERITY  
PROGRAM, INCREASED TAX COLLECTIONS, RAISED EXPORTS AND  
DRAMATICALLY CUT IMPORTS. BUT ITS FOREIGN EXCHANGE  
RESERVES HAVE FALLEN SEVERELY.

SUBSTANTIAL ASSISTANCE IS STILL NECESSARY. OUR PROGRAMS,  
HOWEVER, ARE DESIGNED TO DO MORE THAN SHORE UP THE  
VIETNAMESE ECONOMY. THEY ARE SHAPED TO NURTURE VIETNAM'S  
CAPACITY FOR SELF-SUPPORT BY:

- STIMULATING RECONSTRUCTION AND DEVELOPMENT;
- RETURNING REFUGEES TO PRODUCTIVE LIVES; AND
- HELPING THE VIETNAMESE TO DEFEND THEMSELVES.

IN THE PAST, VIETNAM HAS MADE GOOD USE OF OUR ASSISTANCE.  
WE ARE CONFIDENT IT WILL DO SO IN THE FUTURE.

WE ARE ALSO SEEKING \$362.5 MILLION IN MILITARY ASSISTANCE  
AND \$110 MILLION IN RECONSTRUCTION FUNDS FOR THE KHMER  
REPUBLIC. THE CAMBODIANS ARE FIGHTING FOR THEIR SURVIVAL  
AGAINST FORCES AIDED AND ADVISED BY THE NORTH VIETNAMESE.  
THE COUNTRY'S ECONOMY HAS BEEN SHATTERED AND THE LEVEL  
OF COMBAT IS INTENSE. THE PEOPLE HAVE PAID A HEAVY  
PRICE. THE GOVERNMENT OF THE KHMER REPUBLIC HAS CON-  
SISTENTLY AFFIRMED ITS DESIRE FOR A PEACEFUL SETTLEMENT  
THROUGH DIRECT NEGOTIATIONS WITH ITS ADVERSARIES. CLEARLY,  
CONFIDENTIAL

CONFIDENTIAL

PAGE 07 STATE 122690

A NEGOTIATED SETTLEMENT OF THIS WAR IS THE ONLY RESPONS-  
IBLE OUTCOME.

IN LAOS, A CEASEFIRE HAS BEEN ACHIEVED AND THE PROCESS  
OF POLITICAL ACCOMMODATION BEGUN. THE COUNTRY IS  
SHIFTING FROM WAR TO REHABILITATION AND RECONSTRUCTION.  
THE \$142 MILLION ASSISTANCE PACKAGE WE ARE SEEKING WILL  
HELP IT TO CARRY OUT THAT TRANSITION.

DEVELOPMENT ASSISTANCE

OVER TWO DECADES AGO, THE UNITED STATES PLAYED THE  
PRINCIPAL ROLE IN ESTABLISHING THE CONCEPT OF ECONOMIC  
ASSISTANCE FROM THE RICHER TO THE POORER NATIONS. WE  
CAN TAKE PRIDE IN THE RECORD WE HAVE ESTABLISHED. IT  
BOTH REFLECTS HUMANITARIAN CONCERN AND SERVES OUR NATION-  
AL INTERESTS.

TODAY OUR VALUES AND OUR INTERESTS CONTINUE TO MANDATE  
AN ACTIVE ASSISTANCE PROGRAM BY THIS NATION. BUT THE  
OLD FORMULAS AND OLD JUSTIFICATIONS WILL NOT SUFFICE.

IN RECENT MONTHS THE ENERGY CRISIS HAS DRIVEN HOME THE  
FACT THAT INTERDEPENDENCE IS A CONDITION, NOT A THEORY.  
THAT REALITY TRANSCENDS ANY PARTICULAR CRISIS AND ITS  
LESSON IS CLEAR: WE LIVE IN A WORLD ECONOMY UNDER  
SEVERE STRESS THAT MAKES COOPERATION AN IMPERATIVE IF  
THE OPEN GLOBAL ECONOMY IS TO BE PRESERVED AND EXPANDED.

WHILE THE UNITED STATES IS IN A BETTER POSITION THAN  
MOST NATIONS TO COMPETE IN A WORLD WHERE AUTARCHY PRE-  
VAILS, IT IS NOT IN OUR INTEREST THAT EVENTS CARRY THE  
WORLD IN THAT DIRECTION. DOWN THAT ROAD LIES AN INEVIT-  
ABLE INCREASE IN POLITICAL TENSIONS WHICH WOULD UNRAVEL  
THE FABRIC OF GLOBAL STABILITY.

THE PROGRAMS WE ARE PROPOSING WILL PLACE US IN A BETTER POSITION:

-- TO ENLIST THE DEVELOPING NATIONS' COOPERATION IN SUSTAINING AN OPEN GLOBAL ECONOMY;

CONFIDENTIAL

CONFIDENTIAL

PAGE 08 STATE 122690

-- TO PROMOTE A LONG-TERM BALANCE BETWEEN DEMANDS FOR GOODS AND THEIR SUPPLY; AND

-- TO BE RESPONSIVE TO THE CONCERNS OF COUNTRIES AND AREAS OF IMPORTANCE TO US.

THE UNITED STATES MUST PURSUE A COMPREHENSIVE APPROACH TO

OUR RELATIONS WITH THE DEVELOPING NATIONS. TO DO SO WE:

-- ARE REQUESTING \$1.2 BILLION FOR DEVELOPMENT ASSISTANCE, WHICH WITH LOAN RECEIPTS, INTEREST PAYMENTS AND DEOBLIGATION WILL MAKE POSSIBLE PROGRAMS OF \$1.5 BILLION;

-- WE ARE SEEKING \$1.006 BILLION FOR INTERNATIONAL FINANCIAL INSTITUTIONS; AND

-- WE HAVE PL-480 PROGRAMS TOTALLING \$996 MILLION.

AS YOU KNOW, THE FOCUS OF OUR ASSISTANCE PROGRAM IS LARGELY A PRODUCT OF CONGRESSIONAL INITIATIVE. THE DEVELOPMENT OF THIS PROGRAM EXEMPLIFIED THE CONSTRUCTIVE BI-PARTISAN COOPERATION BETWEEN THE LEGISLATURE AND THE EXECUTIVE THAT WE SEEK IN THE FOREIGN AFFAIRS FIELD.

THE PROGRAM IS DESIGNED TO PROVIDE A MORE EFFECTIVE APPROACH TO ASSISTING THE POOREST OF THE POOR -- THE 800 MILLION PEOPLE WHO SUBSIST ON 30 CENTS A DAY AND HAVE NO MEANS TO PAY THE SHARPLY HIGHER PRICES FOR FUEL, FOOD AND FERTILIZER IMPORTS ON WHICH THEIR SURVIVAL DEPENDS. THE MOST CRITICAL CHALLENGE IS TO ACHIEVE A BALANCE BETWEEN FOOD PRODUCTION AND POPULATION GROWTH -- A BALANCE THE PROGRAM'S FOCUS ON AGRICULTURE, FAMILY PLANNING AND EDUCATION WILL HELP REALIZE.

THUS:

-- \$676 MILLION, ALMOST HALF OF OUR DEVELOPMENT ASSISTANCE UNDER THE FOREIGN ASSISTANCE ACT, IS DESTINED TO

CONFIDENTIAL

CONFIDENTIAL

PAGE 09 STATE 122690

SUPPORT RURAL DEVELOPMENT AND TO INCREASE FOOD PRODUCTION;

-- \$226 MILLION WILL GO TO FAMILY PLANNING AND HEALTH;

-- \$109 MILLION WILL GO TO EDUCATION.

DEVELOPING NATIONS MEET MORE OF THEIR FOREIGN EXCHANGE NEEDS THROUGH TRADE THAN AID. THUS CONGRESSIONAL PASSAGE OF THE ADMINISTRATION'S TRADE BILL WOULD BE A CRUCIAL CONTRIBUTION TO THE DEVELOPMENT PROCESS. THE BILL CONTAINS OUR REQUEST FOR AUTHORITY TO GRANT GENERALIZED TARIFF PREFERENCES WHICH ARE OF MAJOR ECONOMIC AND POLITICAL SIGNIFICANCE TO THE DEVELOPING NATIONS.

SECURITY ASSISTANCE

FOR BOTH THE MIDDLE EAST AND INDOCHINA, I HAVE OUTLINED THE ESSENTIAL ROLE OUR SECURITY ASSISTANCE WILL PLAY IN NURTURING THE PROSPECTS FOR A STABLE AND LASTING PEACE.

FOR A SIMILAR REASON THERE IS A CONTINUING NEED FOR THIS COUNTRY TO ASSIST NATIONS ELSEWHERE IN MEETING THEIR LEGITIMATE DEFENSE NEEDS. AS YOU ARE AWARE, OUR APPROACH HAS BEEN TO ENCOURAGE OTHER NATIONS TO ASSUME THE MAJOR RESPONSIBILITY FOR THEIR OWN DEFENSE.

REFINEMENT OF OUR PROGRAM DOES NOT MEAN THAT ITS OBJECTIVES EVERYWHERE HAVE BEEN REACHED. NOT ALL NATIONS HAVE DEVELOPED A SELF-SUSTAINING CAPACITY FOR THEIR OWN DEFENSE. AND A CLIMATE OF MINIMUM SECURITY IS REQUIRED IF POLITICAL AND ECONOMIC DEVELOPMENT ARE TO TAKE PLACE. THUS OUR PROPOSED PROGRAM REFLECTS A CONTINUING NEED TO DO THE FOLLOWING:

FIRST, WE SHOULD CONTINUE OUR ASSISTANCE PROGRAM TO SELECTED COUNTRIES AROUND THE WORLD AS THEY DEVELOP THEIR INDIGENOUS DEFENSE CAPABILITIES. EXCLUDING SOUTHEAST ASIA, THE BULK OF THIS ASSISTANCE IS DIRECTED TO KOREA (\$161 MILLION), TURKEY (80 MILLION), AND THAILAND (\$56 MILLION), COUNTRIES WHERE WE HAVE VERY DIRECT SECURITY INTERESTS. THE REST OF THE MILITARY

CONFIDENTIAL

CONFIDENTIAL

PAGE 10 STATE 122690

ASSISTANCE PROGRAM WILL PROVIDE MODEST AMOUNTS OF MATERIAL AND TRAINING TO A NUMBER OF NATIONS IN LATIN AMERICA, AFRICA, THE MIDDLE EAST AND EAST ASIA.

SECOND, WE NEED TO PROVIDE ADEQUATE CREDIT LEVELS TO OUR ALLIES AND PARTNERS FOR THE PURCHASE OF ARMS AS WE CUT BACK ON GRANT ASSISTANCE. THE FOREIGN MILITARY SALES PROGRAM PROMOTES THE SELF-SUFFICIENCY OF OUR FRIENDS. TO ENCOURAGE THE TRENDS AWAY FROM GRANT PROGRAMS, WE ARE REQUESTING THAT THE GUARANTEE REQUIREMENT FOR FOREIGN MILITARY SALES BE REDUCED TO 10 PERCENT, THAT THE \$150 MILLION CEILING ON CREDIT SALES TO LATIN AMERICA BE DELETED, AND THAT THE PRESIDENT BE GIVEN AUTHORITY TO WAIVE THE \$40 MILLION CEILING ON SALES TO AFRICA; WHEN HE DETERMINES THAT IT IS IN OUR NATIONAL INTEREST TO DO SO.

LATIN AMERICA

LATIN AMERICA CONSTITUTES AN AREA OF SPECIAL CONCERN TO THE UNITED STATES.

THE COUNTRIES OF THIS HEMISPHERE ARE EMBARKED ON AN EXCITING NEW ADVENTURE. WE HAVE DETERMINED TO MAKE THE GLOBAL AGENDA OF INTERDEPENDENCE A PROGRAM FOR COOPERATION IN THE AMERICAS.

THE INITIATIVE FOR THIS EFFORT CAME FROM LATIN AMERICA. THE DIALOGUE WE HAVE LAUNCHED WITH OUR FRIENDS TO THE SOUTH HAS OPENED UP THE POSSIBILITY OF A NEW AND PRODUCTIVE RELATIONSHIP IN THE HEMISPHERE. BUT JUST AS WE EXPECT TO BENEFIT FROM STRONG TIES IN THE AMERICAS, WE MUST CONTRIBUTE IN CONCRETE WAYS TO THEIR ESTABLISHMENT. THE PROGRAM BEFORE CONGRESS CONTAINS ESSENTIAL ELEMENTS OF THAT CONTRIBUTION:

-- THE \$267.5 MILLION BILATERAL ECONOMIC PROGRAM, FOCUSING ON FOOD, RURAL DEVELOPMENT, AND HUMAN RESOURCES, IS A CONCRETE MANIFESTATION OF OUR INTEREST IN HELPING LATIN AMERICA BRING A BETTER LIFE TO ITS CITIZENS.

CONFIDENTIAL

CONFIDENTIAL

PAGE 11 STATE 122690

-- OUR REQUEST OF \$500 MILLION TO COMPLETE OUR SHARE OF THE LAST REPLENISHMENT OF THE INTER-AMERICAN DEVELOPMENT BANK IS DESTINED FOR AN EFFECTIVE DEVELOPMENT ORGANIZATION. IT ALSO WOULD DEMONSTRATE THAT WE CAN KEEP OUR COMMITMENTS BY FULFILLING AN AGREEMENT MADE OVER FOUR YEARS AGO.

-- PASSAGE OF THE TRADE BILL, WITH ITS AUTHORITY TO GRANT GENERALIZED TARIFF PREFERENCES, WOULD ALSO FULFILL AN OUTSTANDING COMMITMENT TO LATIN AMERICA, ONE WHICH

MY COLLEAGUES IN THE HEMISPHERE HAVE REPEATEDLY MADE  
CLEAR IS OF UTMOST IMPORTANCE TO THEIR NATIONS.

CONCLUSION

10. LET ME CONCLUDE.

11. IT IS MY STRONG BELIEF THAT THE CENTRAL ISSUE OF  
OUR TIME IS WHETHER ECONOMIC AND POLITICAL PROBLEMS ARE  
GOING TO BE SOLVED THROUGH COOPERATION OR FESTER AND  
FUEL CONTINUING CONFRONTATIONS.

12. THE PROGRAMS WE ARE REQUESTING, AND THE LEVELS WE ARE  
REQUESTING ARE NOT ARBITRARY. THE REQUESTS ARE MADE ON  
BEHALF OF A STRUCTURE OF PEACE THAT WE BELIEVE VERY MUCH  
IN THE  
AMERICAN INTEREST. THEY ARE INDISPENSABLE TOOLS TO HELP  
US MOLD THAT STRUCTURE. WE ARE AWARE OF BOTH THE LIMITS AND  
THE POSSIBILITIES FOR THIS NATION. THE ABSOLUTE SUMS

INVOLVED ARE LARGE INDEED. BUT THE BURDEN IS SMALL --  
LESS THAN ONE PERCENT OF OUR NATIONAL PRODUCT. THEY ARE  
THE RESOURCES REQUIRED TO CARRY AMERICA'S ROLE IN BUILDING  
A MORE SECURE AND STABLE WORLD.

13. ECONOMICS, TECHNOLOGY AND THE SWEEP OF HUMAN VALUES  
IMPOSE A RECOGNITION OF GLOBAL INTERDEPENDENCE AND THE  
NECESSITY OF AMERICAN PARTICIPATION IN ITS MANAGEMENT.  
LET US THEREFORE RESOLVE TO ACT WITH BOTH REALISM AND  
COMPASSION TO REACH A NEW UNDERSTANDING OF THE HUMAN  
CONDITION, AND TO BUILD ON THAT UNDERSTANDING A NEW  
CONFIDENTIAL

CONFIDENTIAL

PAGE 12 STATE 122690

COMMITMENT TO HELPING MEET THE UNIVERSAL LONGING FOR  
JUSTICE, HUMAN DIGNITY AND PEACE. SISCO

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INSTRUCTIONS, US CONGRESSIONAL PRESENTATIONS, FOREIGN ASSISTANCE APPROPRIATIONS, UPPER HOUSE, COMMITTEES, FOREIGN POLICY POSITION, TOSEC 39  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE122690  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** RPALMER:WS  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740149-0174  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740656/aaaabv nf.tel  
**Line Count:** 532  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN SP  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 10  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 28 MAR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <28 MAR 2002 by worrelsw>; APPROVED <08 MAY 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** AID STATEMENT WHITE HOUSE PLEASE PASS US DEL SALZBURG  
**TAGS:** OVIP, EAID, US, XX, (KISSINGER, HENRY A)  
**To:** WHITE HOUSE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005